

BRIAN M. FOGARTY (Cal. Bar No. 218792)  
DLA PIPER RUDNICK GRAY CARY US LLP  
401 B Street, Suite 2000  
San Diego, California 92101-4240  
Telephone: (619) 699-2620  
Facsimile: (619) 699-2701

THOMAS A. BURG (Cal. Bar No. 211937)  
DLA PIPER RUDNICK GRAY CARY US LLP  
2000 University Avenue  
East Palo Alto, California 94303  
Telephone: (650) 833-2016  
Facsimile: (650) 833-2001

Attorneys for Plaintiff  
LORILLARD TOBACCO COMPANY

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

LORILLARD TOBACCO COMPANY, a  
Delaware corporation,

Plaintiff,

v.

SMOKE AND GIFT SHOP, a business  
entity; IZZAT ASFOUR, an individual;  
and DOES 1-10 inclusive,

Defendants.

CASE NO. C 05-3126 SC

**STIPULATION AND ~~PROPOSED~~ ORDER  
FOR ENTRY OF PERMANENT  
INJUNCTION; STIPULATION OF  
DISMISSAL**

Plaintiff Lorillard Tobacco Company ("Lorillard"), on the one hand, and Defendants  
Smoke and Gift Shop and Izzat Asfour (collectively "Defendants"), on the other hand, by and  
through their counsel hereby stipulate and agree pursuant to Rule 65 of the Federal Rules of Civil  
Procedure as follows:

With regard to Lorillard's registered trademarks LORILLARD®, NEWPORT®,  
NEWPORT® (stylized), Spinnaker Design®, and NEWPORT and Design®, registered on the  
Principal Register in the United States Patent and Trademark Office (collectively, the "Lorillard  
Marks"), copies of the certificates of registration of which are attached hereto as Exhibit A, it is

1 hereby stipulated and agreed that commencing immediately from the date of entry of the  
 2 Stipulation and Order for Permanent Injunction, Defendants and any of their owners, officers,  
 3 agents, servants, employees, and attorneys, and those persons in active concert or participation  
 4 with them who receive actual notice of this Order by personal service or otherwise, are hereby  
 5 permanently enjoined and restrained from directly or indirectly:

6 (1) using any reproduction, counterfeit, copy, or colorable imitation of the Lorillard  
 7 Marks in connection with the importation, sale, offering for sale, or distribution of cigarettes in  
 8 the United States;

9 (2) using the Lorillard Marks or any reproduction, counterfeit, copy, or colorable  
 10 imitation of the same in any manner likely to cause others to believe that Defendants' products are  
 11 connected with Lorillard or are genuine Lorillard products, if they are not;

12 (3) passing off, inducing, or enabling others to sell or pass off any merchandise which  
 13 is not genuine Lorillard merchandise as and for genuine Lorillard merchandise;

14 (4) making any false or misleading statements regarding Lorillard or its respective  
 15 goods, or the relationship between Lorillard, on the one hand, and Defendants, on the other hand;

16 (5) committing any other acts calculated to cause purchasers to believe that  
 17 Defendants' products are Lorillard's products, if they are not;

18 (6) importing, shipping, delivering, distributing, holding for sale, returning,  
 19 transferring, or otherwise moving or disposing of in any manner such cigarettes falsely bearing  
 20 one or more of the Lorillard Marks or any reproduction, counterfeit, copy, or colorable imitation  
 21 of the same;

22 (7) other than pursuant to agreement of Lorillard, moving, destroying, or otherwise  
 23 disposing of any goods, boxes, labels, packaging or other items or documents bearing any  
 24 reproduction, counterfeit, or imitation of the Lorillard Marks, or removing, destroying, or  
 25 otherwise disposing of any business records or documents relating in any way to the manufacture,  
 26 importation, acquisition, purchase, distribution, or sale of goods or merchandise bearing any  
 27 reproduction, counterfeit, or imitation of the Lorillard Marks; and

28 (8) assisting, aiding, or abetting any other person or business entity in engaging in or

performing any of the activities referred to in the above paragraphs (1) through (7).


**IT IS FURTHER AGREED** that Defendants acknowledge receipt of this Stipulation and Order for Permanent Injunction and waive further service thereof.

**IT IS FURTHER AGREED AND ORDERED** that this action is hereby dismissed with prejudice, each party to bear its own fees and costs, provided, however, that the United States District Court for the Northern District of California shall maintain jurisdiction over the parties to enforce this Permanent Injunction and to enforce the terms of the settlement agreement between the parties.

Dated: March 14, 2006

DLA PIPER RUDNICK GRAY CARY US LLP

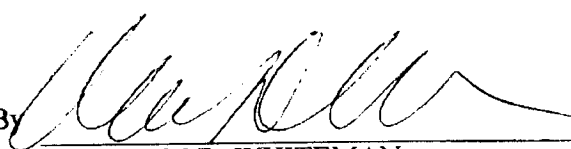
By

  
THOMAS A. BURG  
BRIAN M. FOGARTY  
Attorneys for Plaintiff  
Lorillard Tobacco Company

Dated: March 13, 2006

LAW OFFICES OF WILLIAM D. WHITEMAN

By

  
WILLIAM D. WHITEMAN  
Attorney for Defendants  
SMOKE AND GIFT SHOP and  
IZZAT ASFOUR

IT IS SO ORDERED.

Dated: 3/14/06

